The matter has been referred back to IMC seeking clarification/additional information on the time frame for reconstruction of damaged infrastructure. Upon receipt of clarification/additional information, the matter shall be processed for approval of Cabinet after seeking High Level Committee's recommendation on the assessment done by IMC.

For deciding the quantum of financial assistance for long-term rehabilitation and reconstruction of severely damaged infrastructure due to natural calamities in 2006, the Government of Gujarat has yet to send their requirements.

(b) and (c) At present the relief assistance to the States affected by natural calamities is provided under the two funds namely, Calamity Relief Fund (CRF) and National Calamity Contingency Fund (NCCF), in accordance with the Scheme of CRF/NCCF notified by the Ministry of Finance based on the recommendations of the 12th Finance Commission. As per the Scheme, the financial assistance under the CRF/NCCF is provided for rescue and relief operations as well as repair/restoration of damaged infrastructure of immediate nature only. The expenditure on restoration/reconstruction of damaged infrastructure and capital assets is to be met from the normal budgetary heads, except when it is to be incurred as part of providing immediate relief. The provision for disaster preparedness and mitigation is required to be built into the State Plans and not as a part of calamity relief.

The High Level Committee (HLC) in its meeting held on 8th October and 7th Dec., 2005 *inter-alia* recommended for setting up of an Inter-Ministerial Committee (IMC) to consider the financial requirements of the States severely affected by floods during 2005 for long term rehabilitation and reconstruction works. The HLC in the meeting held on 8th December, 2006 decided that the scope of the existing IMC may be extended to look into the requirements of funds for long term rehabilitation and reconstruction of damaged infrastructure of the States/UTs severely affected by heavy rains/floods etc. during 2006 also.

Changes in FEMA Regulations

4327. SHRIMATI SHOBHANA BHARTIA:
SHRI VIJAY J. DARDA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are examining the possibility of redefining foreign investment policy which will require changes in the Foreign Exchange

Management Act regulations and also look at foreign investments in a company as a whole instead of treating foreign institutional investors as a separate entity;

(b) if so, whether the proposed policy change will impact several sectors particularly those like asset reconstruction companies, direct-to-home distribution of broadcast signals and real estate; and

(c) if so, by when a final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) and (c) Do not arise in view of (a) above.

Reduction in Rate of Interest on FCNR Deposits

4328. SHRI RAHUL BAJAJ:
SHRI RAJKUMAR DHOOT:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in view of the large forex reserves there is upward pressure on the rupee;

(b) if so, whether Government propose to stop accepting Foreign Currency Non Resident (FNCR) deposits to reduce the rate of interest on them; and

(c) whether Government will review the issue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The exchange rate of the rupee is determined by demand and supply factors. As such capital flows into India would influence the exchange rate of the Rupee. The level of foreign exchange reserves, *inter alia,* depend on the purchase/sale of foreign currency by the Reserve Bank of India to maintain orderly conditions in the foreign exchange market. Interest rates on NRI deposits are regulated by the Reserve Bank of India (RBI).

Biometric ATM service

†4329. SHRI SATYAVRAT CHATURVEDI:
SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.